

Country-of-origin misclassification awareness and consumers' behavioral intentions:
Moderating roles of consumer affinity, animosity, and product knowledge

Cakici, N. Meltem; Shukla, Paurav

Published in:
International Marketing Review

DOI:
[10.1108/IMR-08-2015-0178](https://doi.org/10.1108/IMR-08-2015-0178)

Publication date:
2017

Document Version
Author accepted manuscript

[Link to publication in ResearchOnline](#)

Citation for published version (Harvard):

Cakici, NM & Shukla, P 2017, 'Country-of-origin misclassification awareness and consumers' behavioral intentions: Moderating roles of consumer affinity, animosity, and product knowledge', *International Marketing Review*, vol. 34, no. 3, pp. 354-376. <https://doi.org/10.1108/IMR-08-2015-0178>

General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

Take down policy

If you believe that this document breaches copyright please view our takedown policy at <https://edshare.gcu.ac.uk/id/eprint/5179> for details of how to contact us.

Country-of-origin misclassification awareness and consumers' behavioral intentions:**Moderating roles of consumer affinity, animosity, and product knowledge****Authors**

N.Meltem Cakici *

Assistant Professor of Marketing

Department of Business Administration

Faculty of Economics and Administrative Sciences

Okan University

34959 Tuzla-Istanbul

Turkey

phone: +90 (216) 677 16 30

e-mail: meltem.cakici@okan.edu.tr

Paurav Shukla

Professor of Luxury Brand Marketing

Glasgow School for Business & Society

Glasgow Caledonian University

40 Fashion Street

London – E1 6PX

United Kingdom

T: +44 (0)141 331 8911

E: Paurav.Shukla@gcu.ac.uk

Country-of-origin misclassification awareness and consumers' behavioral intentions:

Moderating roles of consumer affinity, animosity, and product knowledge

Purpose – Extant research shows that consumers regularly misclassify country of origin (COO) associated with brands. The authors examine changes in behavioral intentions (i.e. purchase intentions for self and others and brand judgments) when consumers are made aware that they have misclassified the COO and then are informed of the brand's correct origin. Drawing on cognitive dissonance theory, the authors also explore the moderating roles of consumer affinity, animosity, and product knowledge.

Design/methodology/approach – Two experiments test the direct and moderating effects of COO misclassification awareness on behavioral intentions.

Findings – The findings show detrimental effects of misclassification on behavioral intentions when consumers have high affinity with misclassified COO. Moreover, the experiments demonstrate a significantly greater decrease in behavioral intentions among experts than novices in the low-affinity condition and the reverse effect in the high-affinity condition.

Practical implications – The negative effects of COO misclassification on consumer behavioral intentions highlight the need for managers to proactively avoid misclassification. The findings should also aid managers in developing responsive marketing campaigns that consider consumer affinity, animosity, and level of product knowledge.

Originality/value – This research is the first to compare consumer behavioral responses before and after COO misclassification awareness. The study demonstrates that cognitive dissonance underpins the process of misclassification. It also contributes to COO literature by

examining the interaction of consumer affinity and animosity with product knowledge and their influence on consumer behavior in the case of COO misclassification.

Keywords Country of origin, Brand origin, Consumer affinity, Consumer animosity, Product knowledge, Cognitive dissonance

Paper type Research paper

Introduction

It is well established in literature that consumers' attitudes toward the country of origin (COO) of a brand influence brand choice. Perceived COO (the country in which the corporate headquarters of the company marketing the brand is located, regardless of where it is manufactured) significantly influences consumer decision making (Verlegh *et al.*, 2005). Balabanis and Diamantopoulos (2011) argue that COO associations directly affect the inferences consumers make about a brand's attributes and influence their behavioral intentions. Koschate-Fischer *et al.* (2012) and Josiassen *et al.* (2013) argue that consumers will spend more money for a branded product from a more favorable COO. Firms also use subtle and direct COO associations through their brand names, store design, and styling of products (Shukla, 2011).

However, recent COO research also demonstrates that many consumers frequently attribute the brands they purchase and use to the wrong country (Magnusson *et al.*, 2011). Various studies report the misclassification of COO to a specific brand as nearly half to as high as 88% for overseas brands (Balabanis and Diamantopoulos, 2008; Samiee *et al.*, 2005). Many companies, originating from countries with relatively weak images, attempt to disguise their brand origin or even attempt to deliberately associate their brand with a country that has a strong image to generate positive equity. For example, Qingdao Electroplating Company from China adopted the German-sounding name Haier Group in the early 1990s and is now

one of the world's largest white goods company. Similarly, leather goods brand Hidesign suppressed its Indian roots by naming its sub-brands Doris, Madonna, and Sybil, among others. In other words, many companies attempt to benefit from consumers' COO misclassification.

An important factor is that consumers often do not know that they have misclassified a brand's COO and rely only on their perceptions of COO (Magnusson *et al.*, 2011), with many companies assuming that consumers will not learn the actual COO afterward. However, in today's age of information, discovering the correct COO is easy to do through means such as word of mouth, social media, advertisements, promotions, and various other information sources. Therefore, consumers are more likely to become accidentally aware of a brand's provenance through these mediums. The current research defines consumers' becoming aware of COO misclassification as *misclassification awareness*. COO misclassification is sparsely investigated, and researchers have called for further research to understand this phenomenon (Samiee, 2010). Prior research has examined the importance of perceived COO (Magnusson *et al.*, 2011) and the effects of adverse and favorable misclassification (Balabanis and Diamantopoulos, 2011). Extending this line of inquiry, we investigate the issue of changing consumers' behavioral intentions (i.e. purchasing for self and others and overall brand judgments) before and after misclassification awareness. Moreover, we examine consumer behavioral intentions when the now-revealed real COO happens to be a high-affinity or high-animosity country.

From a managerial standpoint, the findings offer pivotal insights into the consequences of misclassification to companies that use COO in their marketing strategy. Becoming aware that they have misclassified the COO may lead consumers to change their behavioral responses. Moreover, learning that the company deliberately tried to disguise the real COO may have severe detrimental effects on consumers' purchase intentions and brand judgment

and, in turn, on the company's bottom line. Thus, we examine the change in behavioral intentions when consumers become aware that they have misclassified the COO and then are informed of the brand's correct origin. We posit that the effects of misclassification operate through the mechanism of cognitive dissonance (Festinger, 1957), which prompts consumers to change their behavioral intentions when faced with misclassification. Using two experiments, we examine the moderating role of consumer affinity (Study 1), along with consumer animosity for and knowledge of the product (Study 2), in the misclassified COO. The findings show that when consumers become aware of the misclassification, their behavioral intentions vary depending on their affinity/animosity levels with the misclassified COO: the higher the affinity with the misclassified COO, the greater is the behavioral change, due to higher dissonance with the existing schema. We further establish that consumers' product knowledge drives the varying levels of behavioral intentions, such that more knowledgeable consumers (experts) feel higher levels of dissonance after misclassification awareness and therefore demonstrate greater change in behavioral intentions.

Conceptual background and hypotheses

Cognitive dissonance theory

Cognitive dissonance (Festinger, 1957) refers to a psychologically uncomfortable state that occurs from an inconsistency between the desired and the actual state. Dissonant individuals refrain from engaging in situations that produce further anxiety, uncertainty, or doubt (Elliot and Devine, 1994) by seeking consistency and avoiding inconsistency. Since Festinger's (1957) introduction, researchers across disciplines have tested the theory in various situations and identified antecedents to dissonance and the strategies consumers employ to reduce it (Shinnar *et al.*, 2004; Simon *et al.*, 1995). For example, Herz and Diamantopoulos (2013) find that a match between a country's stereotype and an advertising execution format leads to

stronger cognitive and affective evaluations of a brand, consistent with cognitive dissonance theory.

Researchers have explained cognitive dissonance by taking into account not only the inconsistency among cognitions but also expectations that are inconsistent with behavior. For example, relying on *self-consistency theory*, Aronson (1968) posits that dissonance arises when people think that their behavior is inconsistent with their expectations. The self and self-image are also factors that lead to cognitive dissonance. Steele (1988) suggests that a threat to one's self-image is the underlying cause of cognitive dissonance.

Harmon-Jones *et al.* (1996) conclude that dissonance-related attitude change can occur in situations when a cognitive inconsistency is present, but not the production of aversive consequences. Harmon-Jones and Harmon-Jones (2002) extend cognitive dissonance theory with their *action-based model of dissonance*. They accept cognitive dissonance theory's argument that cognitive inconsistency causes dissonance. Moreover, they explain that dissonance results in psychological discomfort and consequent behavior change, due to the potential of hindering any non-conflicted action. Oberecker and Diamantopoulos (2011) question the relative effects of consumer ethnocentrism and consumer affinity, or the negative and positive evaluation of a product's COO, respectively. Consumers are influenced by cognitive dissonance when new COO information is introduced because of the discrepancy between their existing state of knowledge and the newly observed information. Thus, consumers may attempt to change their behavioral intentions to reduce dissonance.

Reducing dissonance by changing behavior helps facilitate the execution of unconflicted action (Harmon-Jones and Harmon-Jones, 2007). In this regard, the belief disconfirmation paradigm (Festinger, 1957) argues that consumers use three specific strategies to reduce or minimize dissonance when dissonant information is made available. They (1) focus on more supportive beliefs that outweigh the dissonant information, (2) reduce

the importance of the conflicting information and justify their decision, or (3) change their conflicting belief so that it corresponds to the dissonant information (Harmon-Jones and Harmon-Jones, 2007).

Cognitive dissonance due to consumers' COO misclassification awareness may be caused by several factors. For example, when becoming aware of misclassification of a brand, consumers may feel inconsistency because of their own expectations. Moreover, if they associate the misclassification with an animosity country, their self-image might be threatened. In this study, we focus on the affinity or animosity felt toward the misclassified and the real COO, as well as the degree of product knowledge, as the dimensions that we expect to influence consumer behavioral intentions after COO misclassification awareness. We examine two scenarios in which the now-known real COO is either a high or a low affinity/animosity country in comparison with the misclassified COO.

Consumer affinity

Consumers' attitudes toward foreign countries and their impact on purchase behavior are an important research topic in cross-cultural marketing. Diamantopoulos and Oberecker (2010) find that previous research concentrates on the negative *sentiments* toward foreign countries in general (i.e. consumer ethnocentrism) and toward one country in particular (i.e. consumer animosity) (Josiassen *et al.*, 2011; Riefler and Diamantopoulos, 2007; Shoham *et al.*, 2006). However, they note that research has paid little attention to consumer affinity, which Oberecker *et al.* (2008, p. 26) define as "A feeling of liking, sympathy, and even attachment toward a specific foreign country that has become an in-group as a result of the consumer's direct personal experience and/or normative exposure and that positively affects the consumer's decision making associated with products and services originating from the affinity country."

While consumer affinity is reflected through positive emotions and attachment to the affinity country, we posit that awareness that one has misclassified the COO can create cognitive dissonance and results in two specific situations based on the affinity felt toward the now-revealed real COO. Building on the principle of cognitive consistency, Shoham *et al.* (2006) state that consumers strive for harmony in their thoughts, feelings, and actions. When this harmony is disturbed, an unpleasant tension arises, and consumers try to reduce dissonance. Thus, when consumers learn that the real COO is a country with which they have low affinity, their behavioral intentions may decrease, to lessen overall cognitive dissonance. Shoham *et al.* (2006) also predict a link between consumers' COO preferences and product judgments. Thus, we argue that misclassification will influence both purchase intentions and brand judgments negatively when consumers learn that they have misclassified the COO of the brand.

Empirical research on the misclassification of a brand's COO and its effects on consumers corroborates our argument (Balabanis and Diamantopoulos, 2011). We posit that the underlying mechanism for this behavioral alteration is the state of discomfort due to cognitive dissonance. Consistent with the belief disconfirmation paradigm (Festinger, 1957), we argue that if consumers have an affinity with the misclassified COO, the underlying cognitive dissonance will lead them to try to reduce their discomfort by lowering their behavioral intentions after misclassification awareness. Moreover, using the action-based model of dissonance (Harmon-Jones and Harmon-Jones, 2002), we further posit that consumers with high affinity with the misclassified COO will feel increased dissonance because their overall discomfort will be higher than that of low-affinity consumers. Thus:

H1a: After they are made aware of the misclassification, consumers with high affinity towards the misclassified COO compared with the now-known real COO will show significantly higher cognitive dissonance.

H1b: After they are made aware of the misclassification, consumers with high affinity towards the misclassified COO compared with the now-known real COO will show significantly lower behavioral intentions (i.e. purchase intentions for self, purchase intentions for others, and brand judgment) due to higher cognitive dissonance.

An alternative scenario recognizes that consumers may have high affinity with the now-known real COO. In case consumers do not have high affinity with the origin of a brand that they misclassified and have a high affinity with the now-known real COO, their purchase intention may change significantly after learning about this misclassification. Consistent with the belief disconfirmation paradigm (Festinger, 1957), we posit that cognitive dissonance in this scenario will lead to accommodation of the new information. In the absence of any relevant affinity-related findings with regard to cognitive dissonance, we also argue that affinity will act as a behavioral change response mechanism and that high affinity with the now-known real COO will lead to significantly higher behavioral intentions. Thus:

H1c: After they are made aware of the misclassification, consumers with high affinity towards the now-known real COO compared with the misclassified COO will show significantly higher behavioral intentions.

Consumer animosity

Consumer animosity captures the hostility felt toward the national origin of a product (Riefler and Diamantopoulos, 2007). Previous research on consumer animosity concludes that consumers resist buying foreign products because their negative attitudes toward a particular country exceed their product quality judgments (Fong *et al.*, 2014). Extant research notes that consumer affinity and animosity are not polar opposites on the same continuum (Oberecker *et al.*, 2008), as consumers do not generally experience concurrent affinity with and animosity for a specific country (Jaffe and Nebenzahl, 2006). However, Josiassen (2011) observes that consumers' country-induced biases may negatively or positively affect their purchase intentions of foreign and domestic products.

While the key drivers of consumer affinity related to a country's lifestyle and personal experiences from visits abroad are different from Klein *et al.*'s (1998) sources of consumer animosity (i.e. military, political, and economic events), we posit that misclassification awareness and the resultant affinity associations may trigger a wider reflection on the country and could remind consumers about the animosity felt. This animosity for the now-known real COO may also play a role in influencing consumers' behavioral intentions. To capture this nuanced relationship further, we argue that consumers who feel high affinity with (high animosity for) the now-known real COO will show a significantly increased (decreased) tendency to purchase for the self and others and that their brands judgments will be more positive (negative) than those of their counterparts who feel high animosity (high affinity).

H2: After they are made aware of the misclassification, consumers with high animosity towards the now-known real COO compared with the misclassified COO will show significantly lower behavioral intentions.

Product knowledge

Product knowledge influences how consumers select and process different types of information (Maheswaran, 1994). In this respect, the consideration of a COO cue is largely determined by consumers' level of familiarity with products (Ahmed and d'Astous, 2008; Chattalas *et al.*, 2008). Han (1989) argues that COO effects differ depending on the degree of consumer familiarity with that country's products. COO functions as a halo construct when consumers are unfamiliar with a country's products, and this results in consumers using the COO as a signal of quality. As consumers' familiarity increases, COO becomes a summary construct that reflects their opinions about products and affects their evaluations of brands. Extant research confirms the argument that COO acts as a halo or as a summary cue based on consumers' knowledge of the product category (Insch and McBride, 2004). Josiassen *et al.* (2008) empirically test whether product knowledge increases or decreases the importance of COO in product evaluation by considering consumers' use of COO as a halo or a summary cue. They find that the impact of COO on consumers' evaluations is greater for the less familiar product categories. In accordance with extant research, we argue that novices will use COO as a halo construct while experts will use it as a summary construct.

What happens, however, when novice and expert consumers learn that they misclassified the COO of a brand? Experts hold a rich knowledge schema in memory (Rao and Monroe, 1988), and thus the new information ties into several components of existing information. Experts will re-evaluate the misclassified and real COOs and compare them in terms of their impact on quality, image, and other brand-related factors that influence purchase intentions. This re-interpretation process will create a contrast effect depending on the amount of re-alignment required (Sherif and Hovland, 1961) and increase cognitive dissonance when the images of the actual and misclassified COOs lack consistency. In this situation, experts will try to reduce their discomfort due to misclassification by decreasing their purchase intentions, because cognitions serve as the potential for actions. Conversely,

novices perceive, process, and use information differently than experts to assess brands. They also do not have sufficient knowledge of a brand. Misclassification information presented to them will thus fall into their latitude of acceptance, as their overall schema is comparatively less complex than that of experts (Sherif and Hovland, 1961). As such, novices will be less influenced by COO misclassification because they do not need to change their overall cognitive schema significantly when alerted about the new actual COO information.

Josiassen *et al.* (2013) suggest three perspectives for the origin-image effect: basic origin, product origin, and category origin. The basic-origin perspective assumes a generic origin-image effect, while the product-origin effect involves the characteristics of the product-specific origin and/or people. Last, the category-origin perspective considers product category-level associations from a particular origin. Combining the knowledge schema debate with Josiassen *et al.*'s (2013) product-origin perspective, we posit that novices will not decrease their purchase intentions as much as experts after COO misclassification awareness because the difference between the origin-image effects of the misclassified and the real COO will be smaller for novices than experts due to varying product knowledge. This difference will lead to a greater change in behavioral intentions of experts than novices after misclassification awareness. Thus:

H3: After they are made aware of misclassification, expert consumers will show a significantly higher change in their behavioral intentions.

Experts, novices, and their affinity levels

Previously, we posited the effects of misclassification underpinned by cognitive dissonance—caused due to affinity with and animosity for the revealed COO and product knowledge—on consumer behavioral intentions. An important question is whether experts' and novices'

affinity/animosity levels with the misclassified COO will trigger a change in their behavioral intentions.

We proposed that experts would decrease their behavioral intentions more than novices because of the differences in their knowledge structures and COO information processing, which lead to increased dissonance. However, having a higher affinity with (lower animosity for) the misclassified COO than the now-known real COO may act as a barrier to change for experts' knowledge schema (Rao and Monroe, 1988), due to the positive emotional attachments. For example, prior research finds that for expert consumers, learning processes due to past experiences are potentially emotion generating, and independent of the net benefits, this experience accrues, such that emotions color their product evaluations (Wood and Moreau, 2006). If the emotions are positive, such as high affinity (Oberecker *et al.*, 2008), expert consumers are more likely to resist the new conflicting information and attempt to stick with their original knowledge schema. In contrast, prior research suggests that novice consumers are more like to adopt new conflicting information as they attempt to build a better knowledge schema (Wood and Kallgren, 1988) and thus show significantly higher change in their behavioral intentions than expert consumers.

In contrast, if experts have low affinity with (high animosity for) the misclassified COO, the effects on behavioral intentions will be more pronounced than those for novices. For example, in the case of low affinity with (high animosity for) the misclassified COO, the substantially more negative emotions generated from high animosity may act as a reinforcement driver for expert consumers (Wood and Moreau, 2006). This can re-affirm their already negative emotions and thus lead expert consumers to distance themselves further from the brand in question because it falls within their latitude of rejection (Sherif and Hovland, 1961). Novices possess weaker expectations, emotions, and evaluation links than experts (Wood and Moreau, 2006). Thus, they will also feel negatively toward the low-affinity (high-

animosity) COO after misclassification awareness. However, because of their weaker knowledge schema, their behavioral responses will not be as strong as those of expert consumers. Therefore, we argue that experts will decrease their behavioral intentions more than novices in the case of low affinity with (high animosity for) the misclassified COO. Furthermore, when both experts and novices have high-affinity (low-animosity) levels with the misclassified COO, novices will have significantly lower behavioral intentions. On the basis of this discussion, we expect that the degree of product knowledge moderates the misclassification effect postulated in H1 and H2. Thus:

H4a: After they are made aware of misclassification, expert consumers with low affinity towards (high animosity for) the misclassified COO will decrease their behavioral intentions more than novice consumers with low affinity (high animosity).

H4b: After they are made aware of misclassification, expert consumers with high affinity towards (low animosity for) the misclassified COO will decrease their behavioral intentions less than novice consumers with high affinity (low animosity).

We test the hypotheses with two experiments to examine how affinity with and animosity for the misclassified and real COO as well as product knowledge influence consumers' behavioral intentions.

Study 1

In this study, we examine the before and after effects of consumer affinity levels and the underlying cognitive dissonance on the propensity to purchase for the self and others, as well as overall brand judgment. Specifically, we compare how consumers with high versus low

affinity with the misclassified COO differ in their behavioral intentions when alerted about their COO misclassification. In doing so, we test H1a, H1b, and H1c.

Method

Procedure

We recruited 148 students at a well-known Turkish university (mean age = 23.14; 56.75% females) to participate in the study. We used online survey software (Limesurvey) that allowed customization based on participant responses. We specifically chose fashion luxury goods because COO is prominently highlighted in promotions of these types of goods, and most luxury brands originate from few countries such as France, Italy, and the United Kingdom (Moore-Evans, 2014; Shukla and Purani, 2012). Moreover, many luxury fashion brands, such as Louis Vuitton and Gucci, advertise their COO in their marketing material. Several high-end luxury goods makers such as Hermès even add their COO to their logos, confirming the importance of COO in consumer decision making. In addition, prior research reports that the brand origin effect is a significant driver for product choice among consumers who purchase luxury goods (Shukla, 2011). Thus, luxury fashion goods offer a suitable context for this study.

The experiment began with a short introduction, followed by generic questions about purchasing fashion luxury goods. Participants were then randomly assigned to a control or experimental group and informed that they would be reading a brief statement about a luxury fashion brand (John Players) taken from the brand's website (Appendix A). Control group participants ($n = 33$) read about the real COO of the brand from the start. When the experimental group participants finished reading the description about the brand, they were asked to guess the brand's COO. If they correctly identified the COO, they were moved to the control group condition ($n = 2$). However, if they incorrectly identified the COO, they were

asked questions about their affinity with the misclassified COO. They were also asked whether they would buy products of the specific brand for themselves and for others, as well as their judgments about the brand. After completing this phase of the survey, these participants were asked to imagine that they purchased John Players clothing. They were then informed about their misclassification of the brand's COO, and the real COO was revealed. After this, they were asked questions about their affinity with the now-known real COO and their behavioral intentions. After completing this phase of the study, all participants were asked if they felt any cognitive dissonance using established discomfort items and also about the importance of fashion and luxury brands in expressing themselves. Participants were then thanked and debriefed.

Measures

We measured participant's affinity levels using the scale developed by Oberecker and Diamantopoulos (2011). The scale contains items such as pleasant feeling, liking, feeling of sympathy, attractiveness, feeling attachment, love, and feeling inspired. The items were measured on 7-point scale, with 1 (*not felt*) and 7 (*extremely*) as anchors (pre-misclassification: $\alpha = 0.94$; post-misclassification: $\alpha = 0.95$). Following Elliot and Devine (1994), we measured cognitive dissonance by averaging participants' responses to the affect items (uncomfortable and uneasy) measured on a 7-point scale. We assessed the dependent variables of purchase intentions for self and others with items such as "I will consider buying John Players products next time when I wish to purchase fashion and luxury clothes" and "I will consider buying John Players products for my family and friends next time when I wish to purchase fashion and luxury clothes for them." Both items were measured on a 7-point Likert-type scale anchored by *very unlikely* and *very likely*. We measured brand judgment using four items developed by De Matos and Rossi (2007). The items were measured on a 7-

point semantic differential scale with a range of -3 to $+3$. The item anchors included inferior image/superior image, obsolete company/modern company, low-quality product/high-quality product, and unreliable product/reliable product (pre-misclassification: $\alpha = 0.88$; post-misclassification: $\alpha = 0.94$).

Results

A mixed analysis of variance (ANOVA) model predicted consumer behavioral intentions, with affinity with the misclassified COO (high vs. low) and cognitive dissonance (high vs. low) as between-subjects factors and pre- and post-misclassification awareness as within-subject factors. The dependent variables were *purchasing for self*, *purchasing for others*, and *brand judgments*.

Manipulation check

To determine whether the affinity levels vary before and after misclassification awareness, we ran a manipulation check comparing pre-misclassification and post-misclassification affinity scores. Pre-misclassification affinity levels were significantly different ($F(1, 136) = 15.13$; $p < 0.001$) from post-misclassification affinity levels. To determine whether cognitive dissonance occurred, we examined whether participants reported elevated levels of dissonance after being told that they had misclassified COO. The results show a significant increase in dissonance levels for the experimental group ($n = 102$) compared with the control group ($n = 35$) ($M_{\text{control}} = 3.35$, $M_{\text{experimental}} = 4.69$; $t(137) = 6.83$, $p < 0.001$). The experimental group also showed a significant decline in behavioral intentions on purchase intentions for self ($F(1, 136) = 6.55$, $p < 0.05$), purchase intentions for others ($F(1, 136) = 8.74$, $p < 0.01$), and brand judgment ($F(1, 136) = 5.46$, $p < 0.05$), suggesting that misclassification awareness induced cognitive dissonance.

Hypotheses testing

To capture the effects of affinity levels on the cognitive dissonance felt (H1a), we subtracted pre-misclassification dissonance items from post-misclassification dissonance items. Thus, we included only participants who had misclassified the COO in the experimental condition in hypotheses testing. H1a is supported ($F(1, 101) = 7.59, p < 0.01$); high affinity with the misclassified COO leads to greater dissonance ($M_{\text{high}} = -1.93$) than low affinity ($M_{\text{low}} = -0.88$). For H1b, we find a significant main effect of misclassification awareness, such that after being informed of the misclassified COO, participants with high- and low-affinity levels with misclassified COO showed a reduction in their purchase intentions for self ($F(1, 101) = 26.23, p < 0.001$), purchase intentions for others ($F(1, 101) = 26.38, p < 0.001$), and brand judgment ($F(1, 101) = 38.28, p < 0.001$). We also find significant main effects of cognitive dissonance on purchase intentions for self ($F(1, 101) = 3.95, p < 0.05$) and purchase intentions for others ($F(1, 101) = 4.59, p < 0.05$). Similarly, we observe a significant main effect of affinity levels on purchase intentions for self ($F(1, 101) = 25.82, p < 0.001$), purchase intentions for others ($F(1, 101) = 16.39, p < 0.001$), and brand judgment ($F(1, 101) = 35.62, p < 0.001$). We find a significant two-way interaction between affinity levels and awareness of misclassification on purchase intentions for self ($F(1, 101) = 4.25, p < 0.05$), purchase intentions for others ($F(1, 101) = 3.82, p < 0.05$), and brand judgment ($F(1, 101) = 6.72, p < 0.05$). We also find a significant two-way interaction effect of cognitive dissonance levels and awareness of misclassification on brand judgment ($F(1, 101) = 24.89, p < 0.001$).

“Insert Table 1 about here”

Comparing the two affinity levels with regard to purchasing for self, we find a significant between-group effect ($F(1, 101) = 20.96, p < 0.001$), in that purchase intentions for self decrease more among consumers with high ($\Delta M_{\text{high affinity}} = 1.30$) than low ($\Delta M_{\text{low affinity}} = 0.55$) affinity levels. We observe similar between-group effects for purchase intentions for others ($F(1, 101) = 36.82, p < 0.001$), with high-affinity consumers showing a greater decrease ($\Delta M_{\text{high affinity}} = 1.11$) than low-affinity consumers ($\Delta M_{\text{low affinity}} = 0.50$). Brand judgment levels also followed a similar pattern ($F(1, 101) = 31.70, p < 0.001$), such that high-affinity consumers showed significantly lower brand judgments ($\Delta M_{\text{high affinity}} = 1.27$) than low-affinity consumers ($\Delta M_{\text{low affinity}} = 0.52$). These findings provide support for H1b.

For H1c, one-way ANOVA results show that when consumers were made aware of the misclassification, those with higher affinity with the real than the misclassified COO showed increased purchase intentions for others ($M_{\text{real}} = 3.76, M_{\text{misclassified}} = 3.00; F(1, 101) = 6.08, p < 0.05$) and brand judgment ($M_{\text{real}} = 4.40, M_{\text{misclassified}} = 3.60; F(1, 101) = 7.51, p < 0.01$) supporting H1c.

“Insert Figure 1 about here”

Discussion

The results of Study 1 are consistent with our misclassification hypothesis regarding the effects of misclassification awareness and affinity levels on consumer behavioral intentions. The study also offers evidence that misclassification induces cognitive dissonance, which in turn influences behavioral intentions. When consumers are made aware of the misclassification of COO, their behavioral intentions associated with the specific brand significantly decrease. The effect is consistent whether the brand is purchased for the self or for others. A reduction in overall brand judgment is also evident.

Study 1 establishes that consumers with high affinity with the misclassified COO decrease their purchase intentions for themselves and others when they become aware of the misclassification. In addition, their overall judgment about the brand declines significantly. Thus, the study shows the important roles of cognitive dissonance and affinity in consumer behavioral intentions.

Study 1 also shows that higher affinity with the real than the misclassified COO leads to increased intentions to purchase for others and higher judgments about brands, but not purchase intentions for self. The result is non-significant for self-purchase even if consumers have high affinity with the real COO. This result offers an interesting behavioral response, in which misclassification awareness manipulates purchase intentions for self.

Study 2

In study 2, we examine the influence of misclassification awareness on behavioral intentions, with the expectation that the effects will differ depending on the animosity felt toward the now-known real COO, in conjunction with consumer affinity and prior knowledge of the product category. We examine individual differences in a product category by identifying participants as either experts or novices, employing Rao and Monroe's (1988) prior knowledge scale. We propose that the level of prior knowledge will moderate the basic effects postulated in H1, with stronger effects for expert consumers in the low-affinity condition and for novice consumers in the high-affinity condition. In addition to H1, Study 2 also tests H2, H3, and H4a and H4b.

Method

Procedure

To develop a balanced design that takes into account both affinity and animosity countries, we first conducted a discussion group ($n = 15$) at a Turkish university, in which we asked participants about the countries with the highest affinity and animosity. From this discussion, we identified three high-affinity countries and three high-animosity countries. We then ran a pre-study ($n = 30$) using these six countries to capture the COO affinity and animosity preferences of Turkish residents. We observed the highest affinity with and lowest animosity for Holland and the lowest affinity with and highest animosity for Israel. Thus, we included these two countries in the final design of the experiment. In total, 251 university students were recruited for the study. The first phase of this study was identical to that used in Study 1, with some exceptions. Half the participants completed the product knowledge scale (Rao and Monroe, 1988) at the beginning of the study, and the other half completed the scale at the end of the study as a counter-balancing measure. No order effects were observed. Second, after participants misclassified the COO, we randomly assigned them to the condition in which they were informed that the brand John Players was from either Holland (a high-affinity country) or Israel (a high-animosity country). After completion of the experiment, participants were de-briefed about the overall experiment and the real COO.

Measures

Participants completed a modified version of Rao and Monroe's (1988) scale (Appendix B) and, based on median splits, were divided into expert or novice groups. We measured consumer animosity using Riefler and Diamantopoulos's (2007) two-item scale: (1) "I dislike this country," and (2) "I feel anger towards this country." The remaining independent variables are based on instructions to participants that were identical to those in Study 1. The pre-misclassification awareness affinity scale's Cronbach's alpha value was 0.93, and the post-misclassification awareness affinity alpha value was 0.92. The dependent variables were

purchase intentions for self, purchase intentions for others, and brand judgment (pre-misclassification: $\alpha = 0.86$; post-misclassification: $\alpha = 0.94$).

Results

The model used in the analysis to predict behavioral intentions is a general linear model, with product knowledge (expert vs. novice), affinity (high vs. low), animosity (high vs. low), and cognitive dissonance (high vs. low) as between-subjects factors and pre-/post-misclassification awareness as within-subject factors; purchase intentions for self, purchase intentions for others, and brand judgment are dependent variables. We included all interactions of product knowledge, affinity, and misclassification in the model to test the three remaining hypotheses. To maintain rigor, we included in the study participants who showed higher affinity and lower animosity than the mean value for Holland and lower affinity and higher animosity than the mean value for Israel. This resulted in 214 completed responses (mean age = 21.77; 58.4% female).

Manipulation checks

Pre-misclassification affinity levels were significantly different from post-misclassification affinity levels ($F(1, 186) = 11.83, p < 0.005$). The expert participants scored significantly higher on the mean of knowledge items than novices ($M_{\text{expert}} = 4.32, M_{\text{novice}} = 2.68; F(1, 186) = 803.04, p < 0.001$). Participants also reported elevated levels of dissonance after misclassification awareness ($t(182) = 9.24, p < 0.001$). To confirm the direction of animosity felt as observed in the discussion group and pre-study, we measured the animosity differences; they were significant ($F(1, 212) = 31.54, p < 0.001$), such that animosity for Israel as a COO ($M = 4.48$) was significantly higher than that for Holland ($M = 2.82$). In line with the previous discussion group results, pre-study, and Study 2 data, we identified Holland as a

high-affinity (low-animosity) country and Israel as a low-affinity (high-animosity) country. We first measured whether misclassification induced cognitive dissonance. The experimental group ($n = 187$) showed significantly lower levels of behavioral intentions than the control group ($n = 27$) on purchase intentions for self ($M_{\text{experiment}} = 3.19$, $M_{\text{control}} = 4.11$; $F(1, 213) = 6.92$, $p < 0.01$), purchase intentions for others ($M_{\text{experiment}} = 3.22$, $M_{\text{control}} = 4.17$; $F(1, 213) = 7.22$, $p < 0.001$), and brand judgment ($M_{\text{experiment}} = 3.13$, $M_{\text{control}} = 4.25$; $F(1, 213) = 10.88$, $p < 0.001$), suggesting that misclassification induced cognitive dissonance.

Hypotheses testing

For hypotheses testing, we included participants who had misclassified the COO. Participants with high levels of affinity with the misclassified COO felt greater cognitive dissonance ($M_{\text{high}} = -1.81$) than those with low affinity ($M_{\text{low}} = -0.30$; $F(1, 186) = 5.66$, $p < 0.001$), in support of H1a. We observe a significant main effect of misclassification awareness on purchase intentions for self ($F(1, 186) = 18.28$, $p < 0.001$), purchase intentions for others ($F(1, 186) = 8.90$, $p < 0.005$), and brand judgment ($F(1, 186) = 32.51$, $p < 0.001$). We do not observe a three-way interaction. However, we observe a significant interaction effect of affinity levels and awareness of misclassification on purchase intentions for self ($F(1, 186) = 21.08$, $p < 0.001$), purchase intentions for others ($F(1, 186) = 31.77$, $p < 0.001$), and brand judgment ($F(1, 186) = 18.21$, $p < 0.001$). The two-way interaction effect of cognitive dissonance and misclassification awareness on purchase intentions for self ($F(1, 186) = 10.24$, $p < 0.005$), purchase intentions for others ($F(1, 186) = 11.63$, $p < 0.005$), and brand judgment ($F(1, 186) = 33.14$, $p < 0.001$) was significant. The means and standard errors from each of these analyses appear in Table 2 and Figure 2. Again, high affinity with misclassified COO led to a significantly increased change in behavioral intentions.

“Insert Table 2 about here”

With regard to affinity with the now-known real COO (H1c), ANOVA showed a significant main effect for purchase intentions for self ($F(1, 186) = 8.05, p < 0.005$), purchase intentions for others ($F(1, 186) = 11.92, p < 0.001$), and brand judgment ($F(1, 186) = 8.24, p < 0.005$). There was a significant two-way interaction effect of misclassification awareness and high affinity for the now-revealed COO on purchase intentions for self ($F(1, 186) = 16.02, p < 0.001$), purchase intentions for others ($F(1, 186) = 18.09, p < 0.001$), and brand judgment ($F(1, 186) = 21.27, p < 0.001$), in support of H1c.

“Insert Figure 2 about here”

H2 predicted that if the now-known new COO was a high-affinity country, behavioral intentions would be positively affected, and if it was a high-animosity country, behavioral intentions would be adversely affected. We observe a significant effect of a high-affinity/high-animosity country on purchase intentions for self ($M_{\text{real COO affinity}} - \text{misclassified COO} = 0.51, M_{\text{real COO animosity}} - \text{misclassified COO} = -0.60; F(1, 186) = 14.67, p < 0.005$), purchase intentions for others ($M_{\text{real COO affinity}} - \text{misclassified COO} = 0.57, M_{\text{real COO animosity}} - \text{misclassified COO} = -0.47; F(1, 186) = 12.64, p < 0.001$), and brand judgment ($M_{\text{real COO affinity}} - \text{misclassified COO} = 0.59; M_{\text{real COO animosity}} - \text{misclassified COO} = -0.71; F(1, 186) = 21.12, p < 0.001$). Thus, H2 is supported.

H3 proposed that compared with novice consumers, expert consumers would change their behavioral intentions more after they were made aware of their COO misclassification. We observe a significant two-way interaction effect of misclassification awareness and product knowledge on purchase intentions for self ($F(1, 186) = 4.57, p < 0.05$) and purchase intentions for others ($F(1, 186) = 4.61, p < 0.05$) but not on brand judgment. Comparing the

product knowledge effect, we find a greater decrease in experts' purchase intentions for self ($\Delta M_{\text{expert}} = 1.13$) than that of novices ($\Delta M_{\text{novice}} = 0.52$), as well as higher purchase intentions for others ($\Delta M_{\text{expert}} = 0.91$) than those of novices ($\Delta M_{\text{novice}} = 0.35$), in support of H3.

“Insert Table 3 about here”

For H4, we observe no three-way interaction; however, the two-way interaction effect of misclassification and product knowledge on purchase intentions for self ($F(1, 143) = 5.21$, $p < 0.05$) and purchase intentions for others ($F(1, 143) = 5.03$, $p < 0.05$) was significant; conversely, the effect was not significant on brand judgment. The two-way interaction effect of affinity and knowledge on purchase intentions for self ($F(1, 143) = 9.95$, $p < 0.005$), purchase intentions for others ($F(1, 143) = 16.71$, $p < 0.001$), and brand judgment ($F(1, 143) = 17.56$, $p < 0.001$) was significant. Table 4 presents the results of behavioral intentions with significant interaction effects.

“Insert Table 4 about here”

Comparing the simultaneous effects of low affinity with misclassified COO and product knowledge, we show a greater decrease in experts' purchase intentions for self ($\Delta M_{\text{expert}} = 0.79$) than those of novices ($\Delta M_{\text{novice}} = 0.01$) and purchase intentions for others ($\Delta M_{\text{expert}} = 0.37$) than those of novices ($\Delta M_{\text{novice}} = 0.14$). In contrast, for consumers with high affinity with misclassified COO, experts again show a significantly greater decrease in purchase intentions for self ($\Delta M_{\text{expert}} = 1.62$; $\Delta M_{\text{novice}} = 1.05$) and purchase intentions for others ($\Delta M_{\text{expert}} = 1.60$; $\Delta M_{\text{novice}} = 0.88$) than those of novice consumers. However, for brand

judgment, the decrease was significantly greater for novice consumers ($\Delta M_{\text{expert}} = 1.35$; $\Delta M_{\text{novice}} = 1.42$) than expert consumers, offering partial support to H4b.

“Insert Figure 3a and 3b about here”

“Insert Table 5 about here”

Discussion

The results of Study 2 again show that after consumers are made aware of the misclassification of COO, their behavioral intentions associated with the specific brand change significantly. The findings show that if the now-known real COO happens to be a high-affinity (low-animosity) country, overall purchase intentions for self, overall purchase intentions for others, and brand judgment remain favorable. However, if the now-known real COO is a high-animosity (low-affinity) country, behavioral intentions decrease significantly. We also demonstrate the role of cognitive dissonance in underpinning the misclassification effect. Consumers feel a greater degree of cognitive dissonance when they have high affinity with the misclassified COO. This dissonance, in turn, helps explain changes in their behavioral intentions.

In testing consumers' product knowledge and misclassification awareness, Study 2 establishes that expert consumers significantly decrease their behavioral intentions after they are made aware of their COO misclassification. Study 2 also shows the simultaneous effects of consumers' affinity levels with the misclassified COO and their product knowledge on their purchase intentions. Experts show a greater decrease than novices in purchase intentions for self when they have low affinity with the misclassified COO. However, in contrast with our supposition, expert consumers with high affinity with misclassified COO decrease their purchase intentions for self and others more than novice consumers. In the high-affinity post-

misclassification condition, brand judgment of novice consumers decreased significantly more than that of experts.

General discussion and conclusion

Although prior research indicates that perceived COO influences consumer decision making and that consumers regularly misclassify COO, so far no research has examined changes in consumers' behavioral intentions when they become aware that they have misclassified a brand's COO. Drawing from prior work on COO misclassification (Balabanis and Diamantopoulos, 2011; Magnusson *et al.*, 2011), we propose that the misclassification effect operates through the mechanism of cognitive dissonance and can significantly influence behavioral intentions. Across two studies, we demonstrate the effect of misclassification awareness and also examine the moderating role of consumer affinity, animosity, and product knowledge. In doing so, the study offers substantial theoretical and managerial insights.

Theoretical contributions

In addition to demonstrating the important effects of COO misclassification on consumer behavioral intentions, this study shows that cognitive dissonance underlies the misclassification process and influences consumer judgments and intentions. In doing so, it emphasizes the importance of cognitive dissonance theory (Festinger, 1957) in COO research. Extending prior research on misclassification effects (Balabanis and Diamantopoulos, 2011; Magnusson *et al.*, 2011), we demonstrate that the mere awareness of COO misclassification can automatically trigger cognitive dissonance, which in turn affects consumer behavioral intentions. With the application of cognitive dissonance theory to COO misclassification literature, we introduce a novel conceptual basis that further develops theoretical understanding of COO effects on consumer judgments and intentions.

Moreover, our experiments indicate that after COO misclassification awareness, the underlying cognitive dissonance interacts with consumers' level of affinity and animosity. Thus, consumers with high affinity towards the misclassified COO decrease their purchase intentions for self and others, as well as overall brand judgments, more than consumers with low-affinity levels. A reversal in effect occurs for animosity consumers. These findings provide further empirical confirmation of the notion of expectancy–behavior inconsistency, which can cause cognitive dissonance (Aronson, 1968; Steele, 1988). The findings consistently show that when consumers are made aware of the misclassification, they resort to changing their conflicting beliefs to be consistent with the dissonant information rather than refuting it by either focusing on more supportive beliefs or reducing the importance of the dissonant information (Harmon-Jones and Harmon-Jones, 2007). Thus, cognitive dissonance due to misclassification leads to a particular pattern of response, such that consumers adjust their behavioral responses toward the misclassification information; more importantly, this movement is further pronounced among consumers who feel high affinity. By capturing this interaction, our study expands both cognitive dissonance theory and consumer affinity/animosity literature (Josiassen, 2011; Oberecker and Diamantopoulos, 2011).

Extant research has examined consumer affinity and animosity in isolation. Although there are conceptual differences in consumer affinity (Oberecker *et al.*, 2008) and consumer animosity (Klein *et al.*, 1998), our study demonstrates that when consumers are made aware of their COO misclassification, both affinity and animosity triggers come into play. In this regard, the findings show that if the real COO belongs to an animosity country, purchase intentions and brand attitude are significantly reduced. By measuring the affinity/animosity effects simultaneously, our research offers a novel agenda for future research.

When affinity and animosity associations are activated after misclassification, their impact on behavioral intentions also depends on consumers' product knowledge. Previous

research has not examined this interaction. We observe two distinct behavioral directions in this regard. First, expert consumers decrease their purchase intentions for self and others significantly more than novices after misclassification. However, novices with high affinity with a misclassified COO significantly decrease their overall brand judgments after they become aware of the misclassification compared with experts. This may be because experts do not feel the need to change their brand assessments, and they handle cognitive dissonance due to COO misclassification awareness by reducing their purchase intentions, as cognitions serve as the potential for actions. Second, experts already have a rich knowledge schema in memory (Rao and Monroe, 1988) and examine the information from a category-origin perspective (Josiassen *et al.*, 2013). Conversely, novices use COO as a halo construct, and their origin-image is bound with an input-source perspective (Josiassen *et al.*, 2013), such that they transpose the generic COO reflections to the product. Doing so allows novices to accommodate new brand information in their knowledge schema and change their brand judgments accordingly.

Thus, from a theoretical standpoint, our findings fill an important theoretical gap by emphasizing the relevance of cognitive dissonance theory in COO research, especially in the misclassification context. Our research offers further insights into how consumer affinity, animosity, and product knowledge interact in a COO misclassification context. As experts change their purchase intentions more than novices, cognition and knowledge structures of category origin play crucial roles (Josiassen *et al.*, 2013), in addition to the affective dimension (affinity and animosity) shaping consumers' behavioral intentions.

Managerial implications

The findings have implications for managers who want to influence consumers by using their COO in their strategic marketing campaigns. The key implication for managers is that the

image of a brand is strongly linked to consumers' perceptions of its COO. Thus, misclassification can hurt a brand's image and associated behavioral intentions. Many brands assume that brand name and design are sufficient for customers to correctly identify COO. However, consumers regularly misclassify COO associated even with global brands (Balabanis and Diamantopoulos, 2008; Samiee *et al.*, 2005). For a high consumer affinity COO brand, we recommend that managers use COO as a marketing asset and focus on reminding consumers about the brand's true COO. This is crucial for brands that are in the process of establishing themselves in local and international markets and do not yet possess economies of scale or size advantages.

Prior studies suggest that when misclassified with a high-affinity country, brands from low-affinity countries tend to have a favorable image (Magnusson *et al.*, 2011). However, our study shows that after consumers become aware of misclassification, their behavioral intentions change substantially. Although companies belonging to low-affinity countries can temporarily reap the benefits of misclassification, in today's connected world, it is easier for consumers to find out about brands' true COO, even if brands do not highlight the made-in label. Moreover, extant research shows that consumers actively seek COO information in the case of high-involvement products, such as luxury brands, and that they consider COO information important in terms of design and manufacturing (Moore-Evans, 2014). Thus, a company from an unfavorable country that implements a foreign branding strategy will need to cope with a declining brand image and reduced purchases after consumers learn that it misclassified the COO.

In addition, our study shows that after expert consumers are made aware of the misclassification of a brand that belongs to an unfavorable COO, they reduce their behavioral intentions for and brand judgments about the brand. For example, consumers who believe that they are experts in a certain field can share their views through blogs, websites, and social

media. An expert consumer who denounces the brand after misclassification awareness can easily influence a large number of current and potential consumers. For this reason, COO misclassification should be considered a threat to a brand's image and equity, and we recommend that managers take steps to avoid misclassification occurring with their brand. Balabanis and Diamantopoulos (2011) observe detrimental effects for misclassified functional products, and our study demonstrates that such effects occur for hedonic products, such as luxury fashion goods.

Limitations and further research

Our study examines the impact of COO misclassification awareness and demonstrates the behavioral intention change due to cognitive dissonance. Future studies could explore other alternatives of dissonance reduction, including trivialization or remaining dissonant (Harmon-Jones and Harmon-Jones, 2007). As the monetary risk associated with the purchase of luxury brands is greater than that with non-luxury brands, the effect of COO and perceived risk on consumers' attitudes and purchase intentions should be compared between luxury and non-luxury brands in the misclassification context.

This study defines COO as the country in which the corporate headquarters of the company marketing the brand is located. Future research could examine COO misclassification effects when a Western (Eastern) brand that is firmly established in the consumer schema is acquired by an Eastern (Western) firm. For example, Lenovo acquired the IBM PC division, Tata acquired Jaguar and Land Rover, and Haier Corporation recently acquired GE Appliances. Other outcome variables such as word-of-mouth responses, willingness to pay (Oberecker and Diamantopoulos, 2011), perceived quality, perceived risk, and perceived value could also be examined.

This study focused on product knowledge, but the impact of consumers' level of involvement and brand familiarity during purchases should also be examined in future COO misclassification studies. Previous research argues that the cognitive structure of consumers' decisions in terms of a low versus high level of involvement and brand familiarity has a significant impact on their purchase behavior (Ahmed and d'Astous, 2004; Josiassen *et al.*, 2008). The level of involvement shows the importance of the product for consumers in terms of their interest in its consumption. Some consumers engage in extended problem solving for high-involvement products, where they spend time by comparing different product attributes such as price, warranties, brand name, performance, and quality. In contrast, consumers may be able to make quick purchase decisions for low-involvement products, for which they have detailed information, high familiarity, and low risk. Capturing consumers' decision making after they have been made aware of COO misclassification in these scenarios would offer a fruitful avenue for future research.

References

- Ahmed, S.A. and d'Astous, A. (2004), "Perceptions of countries as producers of consumer goods— a T-shirt study in China", *Journal of Fashion Marketing & Management*, Vol. 8 No. 2, pp. 187-200.
- Ahmed, S.A. and d'Astous, A. (2008), "Antecedents, moderators and dimensions of country-of-origin evaluations", *International Marketing Review*, Vol. 25 No. 1, pp. 75-106.
- Aronson, E. (1968), "Dissonance theory: progress and problems", in Abelson, R.P., Aronson, E., McGuire, W.J., Newcomb, T.M., Rosenberg, M.J. and Tannenbaum, P.H. (Eds.), *Theories of Cognitive Consistency: A Sourcebook*, Rand McNally, Chicago, pp. 5-27.

- Balabanis, G. and Diamantopoulos, A. (2008), "Brand origin identification by consumers: a classification perspective", *Journal of International Marketing*, Vol. 16 No. 1, pp. 39–71.
- Balabanis, G. and Diamantopoulos, A. (2011), "Gains and losses from the misperception of brand origin: the role of brand strength and country-of-origin image", *Journal of International Marketing*, Vol. 19 No. 2, pp. 95-116.
- Chattalas, M., Kramer, T., and Takada, H. (2008), "The impact of national stereotypes on the country of origin effect: a conceptual framework", *International Marketing Review*, Vol. 25 No. 1, pp. 54-74.
- De Matos, C.A. and Rossi, C.A.V. (2007), "Consumer reaction to product recalls: factors influencing product judgement and behavioral intentions", *International Journal of Consumer Studies*, Vol. 31 No. 1, pp. 109-116.
- Diamantopoulos, A. and Oberecker, E.M. (2010), "Consumer affinity construct", in *Wiley International Encyclopedia of Marketing*, Vol. 6. Jagdish Sheth and Naresh Malhotra, Wiley, Bognor Regis, UK.
- Elliot, A. J. and Devine, P.G. (1994), "On the motivational nature of cognitive dissonance: dissonance as psychological discomfort", *Journal of Personality and Social Psychology*, Vol. 67 No. 3, pp. 382-394.
- Festinger, L. (1957), *A Theory of Cognitive Dissonance*, Stanford University Press, Stanford, CA.
- Fong, C.-M., Lee, C.-L., and Du, Y. (2014), "Consumer animosity, country of origin, and foreign entry-mode choice: a cross-country investigation", *Journal of International Marketing*, Vol. 22 No. 1, pp. 62-76.
- Han, C.M. (1989), "Country image: halo or summary construct?", *Journal of Marketing Research*, Vol. 26 No. 2, pp. 222-229.

- Harmon-Jones, E., Brehm, J.W., Greenberg, J., Simon, L., and Nelson, D.E. (1996), "Evidence that the production of aversive consequences is not necessary to create cognitive dissonance", *Journal of Personality and Social Psychology*, Vol. 70 No. 1, pp. 5–16.
- Harmon-Jones, E. and Harmon-Jones, C. (2002), "Testing the action-based model of cognitive dissonance: the effect of action-orientation on post-decisional attitudes", *Personality and Social Psychology Bulletin*, Vol. 28 No. 6, pp. 711–723.
- Harmon-Jones, E. and Harmon-Jones, C. (2007), "Cognitive dissonance theory after 50 years of development", *Zeitschrift für Sozialpsychologie*, Vol. 38 No. 1, pp. 7-16.
- Herz, M.F. and Diamantopoulos, A. (2013), "Activation of country stereotypes: automaticity, consonance, and impact", *Journal of the Academy of Marketing Science*, Vol. 41 No. 4, pp. 400-417.
- Insch, G.S. and McBride, J.B. (2004), "The impact of country-of-origin cues on consumer perceptions of product quality: a binational test of the decomposed country-of-origin construct", *Journal of Business Research*, Vol. 57 No. 3, pp. 256-265.
- Jaffe, E.D. and Nebenzahl, I.D. (2006), "It's all in the eyes of the consumer", in *National Image and Competitive Advantage: The Theory and Practice of Place Branding*, Narayana Press, Copenhagen, pp. 79–109.
- Josiassen, A. (2011), "Consumer disidentification and its effects on domestic product purchases: an empirical investigation in the Netherlands," *Journal of Marketing*, Vol. 75 No. 2, pp. 124–140.
- Josiassen, A., Assaf, A.G., and Karpen, I.O. (2011), "Consumer ethnocentrism and willingness to buy", *International Marketing Review*, Vol. 28 No. 6, pp. 627-646.

- Josiassen, A., Lukas, B.A., and Whitwell, G.J. (2008), “Country-of-origin contingencies: competing perspectives on product familiarity and product involvement”, *International Marketing Review*, Vol. 25 No. 4, pp. 423 – 440.
- Josiassen, A., Lukas, B.A., Whitwell, G.J., and Assaf, A.G. (2013), “The halo model of origin images: conceptualization and initial empirical test”, *Journal of Consumer Behavior*, Vol. 12 No. 4, pp. 253-266.
- Klein, J.G., Ettenson, R., and Morris, M.D. (1998), “The animosity model of foreign product purchase: an empirical test in the People’s Republic of China”, *Journal of Marketing*, Vol. 62 No. 1, pp. 89–100.
- Koschate-Fischer, N., Diamantopoulos, A., and Oldenkotte, K. (2012), “Are consumers really willing to pay more for a favorable country image? A study of country-of-origin effects on willingness to pay”, *Journal of International Marketing*, Vol. 20 No. 1, pp. 19-41.
- Magnusson, P., Westjohn, S.A., and Zdravkovic, S. (2011), “What, I thought Samsung was Japanese: accurate or not, perceived country of origin matters”, *International Marketing Review*, Vol. 28 No. 5, pp. 454-472.
- Maheswaran, D. (1994), “Country of origin as a stereotype: effects of consumer expertise and attribute strength on product evaluation”, *Journal of Consumer Research*, Vol. 21 No. 2, pp. 354-365.
- Moore-Evans, D. (2014), *Made in: The Value of Country of Origin for Future Brands*, Future Brand, London.
- Oberecker, E.M. and Diamantopoulos, A. (2011), “Consumers’ emotional bonds with foreign countries: does consumer affinity affect behavioral intentions?”, *Journal of International Marketing*, Vol. 19 No. 2, pp. 45–72.

- Oberecker, E.M., Riefler, P., and Diamantopoulos, A. (2008), "The consumer affinity construct: conceptualization, qualitative investigation, and research agenda", *Journal of International Marketing*, Vol. 16 No. 3, pp. 23–56.
- Rao, A.R. and Monroe, K.B. (1988), "The moderating effect of prior knowledge on cue utilization in product evaluations", *Journal of Consumer Research*, Vol. 15 No. 2, pp. 253-264.
- Riefler, P. and Diamantopoulos, A. (2007), "Consumer animosity: a literature review and a reconsideration of its measurement", *International Marketing Review*, Vol. 24 No.1, pp. 87–119.
- Samiee, S. (2010), "Advancing the country image construct: a commentary essay", *Journal of Business Research*, Vol. 63 No. 4, pp. 442–445.
- Samiee, S., Shimp, T.A., and Sharma, S. (2005), "Brand origin recognition accuracy: its antecedents and consumers' cognitive limitations", *Journal of International Business Studies*, Vol. 36 No. 4, pp. 379-397.
- Sherif, M. and Hovland, C. (1961), *Social Judgment: Assimilation and Contrast Effects in Communication and Attitude Change*, Yale University Press, New Haven, CT.
- Shinnar, R.S., Young, C.A., and Meana, M. (2004), "The motivations for and outcomes of employee referrals", *Journal of Business and Psychology*, Vol. 19 No. 2, pp. 271–283.
- Shoham, A., Davidow, M., Klein, J.G., and Ruvio, A. (2006), "Animosity on the home front: the intifada in Israel and its impact on consumer behavior", *Journal of International Marketing*, Vol. 14 No. 3, pp. 92-114.
- Shukla, P. (2011), "Impact of interpersonal influences, brand origin and brand image on luxury purchase intentions: measuring interfunctional interactions and a cross-national comparison", *Journal of World Business*, Vol. 46 No. 2, pp. 242-252.

- Shukla, P. and Purani, K. (2012), "Comparing the importance of luxury value perceptions in cross-national contexts", *Journal of Business Research*, Vol. 65 No. 10, pp. 1417–1424
- Simon, L., Greenberg, J., and Brehm, J. (1995), "Trivialization: the forgotten mode of dissonance reduction", *Journal of Personality and Social Psychology*, Vo. 68 No. 2, pp. 247-260.
- Steele, C.M. (1988), "The psychology of self-affirmation: sustaining the integrity of the self", in Berkowitz, L. (Ed.), *Advances in Experimental Social Psychology*, Academic Press, New York, pp. 261–302.
- Verlegh, P.W.J., Steenkamp, J.-B.E.M., and Meulenberg, M.T.G. (2005), "Country-of-origin effects in consumer processing of advertising claims", *International Journal of Research in Marketing*, Vol. 22 No. 2, pp. 127-139.
- Wood, S. L. and Moreau, C. P. (2006), "From fear to loathing? How emotion influences the evaluation and early use of innovations", *Journal of Marketing*, Vol. 70 No. 4, pp. 44-57.
- Wood. W. and Kallgren, C. A. (1988), "Communicator attributes and persuasion: recipients' access to attitude-relevant information in memory", *Personality and Social Psychology Bulletin*, Vol. 14 No. 1, pp. 172-182.

Table 1: Effect of affinity and misclassification awareness on behavioral intentions (Study 1)

| | Low affinity with misclassified COO | | High affinity with misclassified COO | |
|--------------------------------|-------------------------------------|----------------------------------|--------------------------------------|----------------------------------|
| | Pre-misclassification awareness | Post-misclassification awareness | Pre-misclassification awareness | Post-misclassification awareness |
| Purchase intentions for self | | | | |
| M | 3.50 | 2.95 | 5.05 | 3.75 |
| SD | 1.69 | 1.54 | 1.46 | 1.54 |
| Purchase intentions for others | | | | |
| M | 3.52 | 3.02 | 4.68 | 3.57 |
| SD | 1.56 | 1.49 | 1.39 | 1.50 |
| Brand judgment | | | | |
| M | 4.21 | 3.69 | 5.38 | 4.11 |
| SD | 1.35 | 1.53 | 0.96 | 1.27 |

Table 2: Effect of affinity and misclassification awareness on behavioral intentions (Study 2)

| | Low affinity with misclassified COO | | High affinity with misclassified COO | |
|--------------------------------|-------------------------------------|----------------------------------|--------------------------------------|----------------------------------|
| | Pre-misclassification awareness | Post-misclassification awareness | Pre-misclassification awareness | Post-misclassification awareness |
| Purchase intentions for self | | | | |
| M | 3.46 | 3.51 | 4.20 | 2.94 |
| SD | 1.79 | 1.71 | 1.66 | 1.45 |
| Purchase intentions for others | | | | |
| M | 3.37 | 3.72 | 4.02 | 2.90 |
| SD | 1.65 | 1.59 | 1.62 | 1.46 |
| Brand judgment | | | | |
| M | 4.45 | 4.28 | 4.77 | 3.58 |
| SD | 1.07 | 1.44 | 1.36 | 1.28 |

Table 3: Effect of product knowledge and misclassification awareness on behavioral intentions

| | Novice | | Expert | |
|--------------------------------|---------------------------------|----------------------------------|---------------------------------|----------------------------------|
| | Pre-misclassification awareness | Post-misclassification awareness | Pre-misclassification awareness | Post-misclassification awareness |
| Purchase intentions for self | | | | |
| M | 3.74 | 3.22 | 4.18 | 3.05 |
| SD | 1.61 | 1.58 | 1.87 | 1.56 |
| Purchase intentions for others | | | | |
| M | 3.65 | 3.30 | 3.96 | 3.05 |
| SD | 1.56 | 1.51 | 1.76 | 1.61 |

Note: *The effects on brand judgment were not significant and thus are not included in the table.*

Table 4: Effect of product knowledge and misclassification awareness on behavioral intentions for low-affinity and high-affinity novice and expert consumers

| Low Affinity / High Animosity | | | | |
|--------------------------------|---------------------------------|----------------------------------|---------------------------------|----------------------------------|
| | Novice | | Expert | |
| | Pre-misclassification awareness | Post-misclassification awareness | Pre-misclassification awareness | Post-misclassification awareness |
| Purchase intentions for self | | | | |
| M | 3.35 | 3.34 | 4.16 | 3.37 |
| SD | 1.65 | 1.54 | 1.61 | 1.83 |
| Purchase intentions for others | | | | |
| M | 3.56 | 3.42 | 3.84 | 3.47 |
| SD | 1.61 | 1.55 | 1.54 | 1.68 |
| High Affinity / Low Animosity | | | | |
| Purchase intentions for self | | | | |
| M | 4.23 | 3.18 | 4.51 | 2.89 |
| SD | 1.35 | 1.48 | 1.74 | 1.32 |
| Purchase intentions for others | | | | |
| M | 4.00 | 3.12 | 4.24 | 2.64 |
| SD | 1.41 | 1.36 | 1.57 | 1.35 |
| Brand judgments | | | | |
| M | 4.97 | 3.55 | 5.03 | 3.68 |
| SD | 1.41 | 1.36 | 1.57 | 1.35 |

Note: For low-affinity/high-animosity condition, effects on brand judgment were not significant and thus are not included in the table.

Table 5: Study 2 effects summary

| Hypotheses After they are made aware of the misclassification... | Study 1 | Study 2 |
|--|---------|---------------------------|
| H1a: ... consumers with higher affinity with the misclassified COO than with the now-known real COO will show significantly higher cognitive dissonance. | √ | √ |
| H1b: ... consumers with higher affinity with the misclassified COO than with the now-known real COO will show significantly lower behavioral intentions (i.e. purchase intentions for self, purchase intentions for others, and brand judgment) due to higher cognitive dissonance. | | |
| Purchase intentions for self | √ | √ |
| Purchase intentions for others | √ | √ |
| Brand judgment | √ | √ |
| H1c: ... consumers with higher affinity with the now-known real COO than with the misclassified COO will show significantly higher behavioral intentions. | | |
| Purchase intentions for self | n.s | √ |
| Purchase intentions for others | √ | √ |
| Brand judgment | √ | √ |
| H2: ... consumers with higher animosity for the now-known real COO than for the misclassified COO will show significantly lower behavioral intentions. | | |
| Purchase intentions for self | | √ |
| Purchase intentions for others | | √ |
| Brand judgment | | √ |
| H3: ... expert consumers will show a significantly higher change in their behavioral intentions. | | |
| Purchase intentions for self | | √ |
| Purchase intentions for others | | √ |
| Brand judgment | | n.s. |
| H4a: ... expert consumers with low affinity with (high animosity for) the misclassified COO will decrease their behavioral intentions more than novice consumers with low affinity (high animosity). | | |
| Purchase intentions for self | | √ |
| Purchase intentions for others | | √ |
| Brand judgment | | n.s. |
| H4b: ... expert consumers with high affinity with (low animosity for) the misclassified COO will decrease their behavioral intentions less than novice consumers with high affinity (low animosity). | | |
| Purchase intentions for self | | √ Reverse direction |
| Purchase intentions for others | | √ Reverse |

| | | |
|----------------|--|-----------|
| | | direction |
| Brand judgment | | √ |

Figure 1: Effect of affinity and misclassification awareness on behavioral intentions (Study 1)

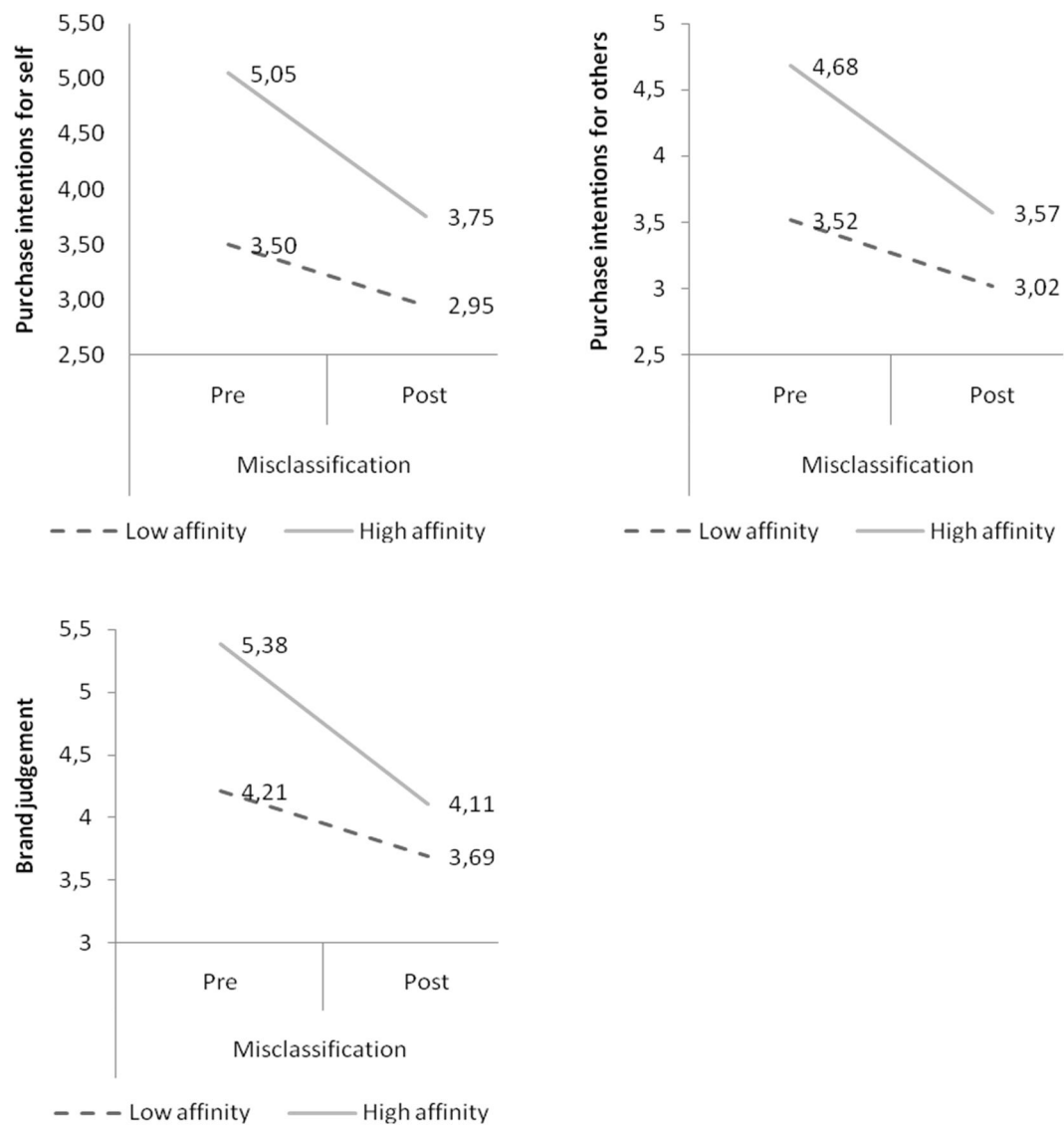


Figure 2: Effect of product knowledge and misclassification awareness on behavioral intentions (Study 2)

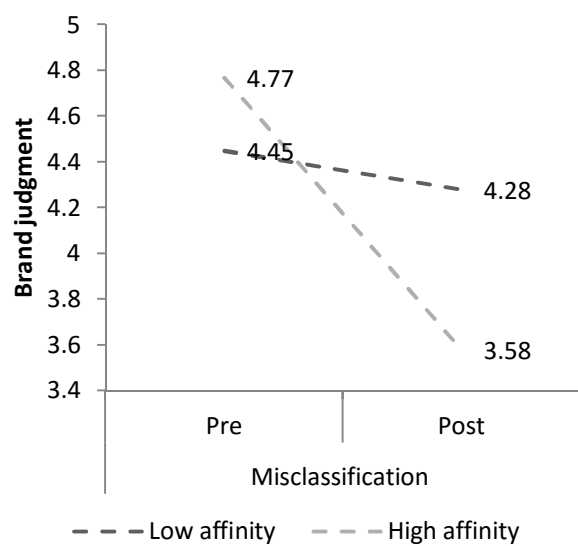
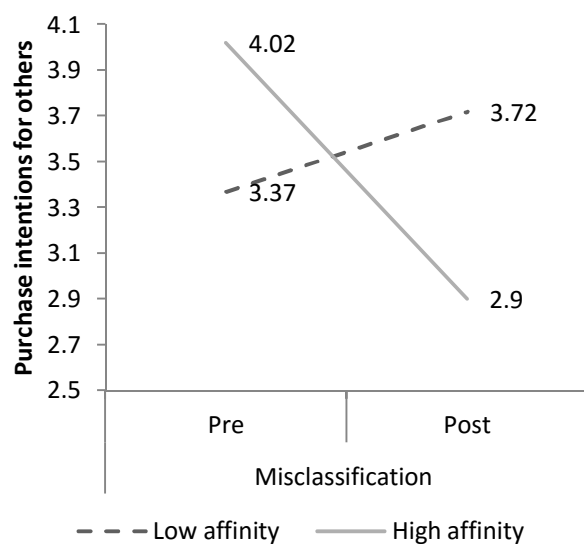
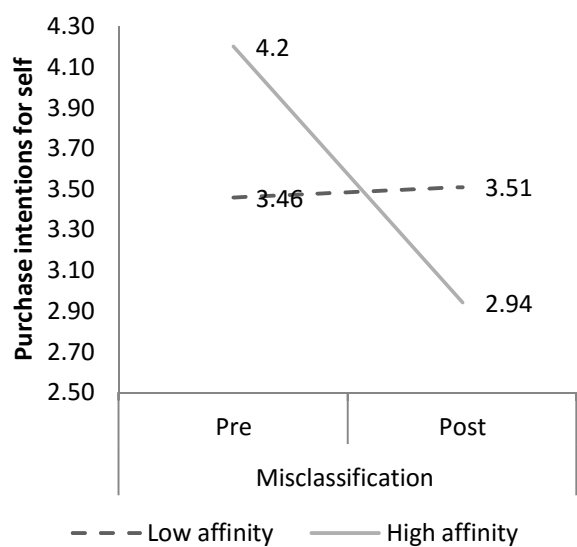


Figure 3a: Purchase intentions for self and others for low-affinity (high-animosity) consumers

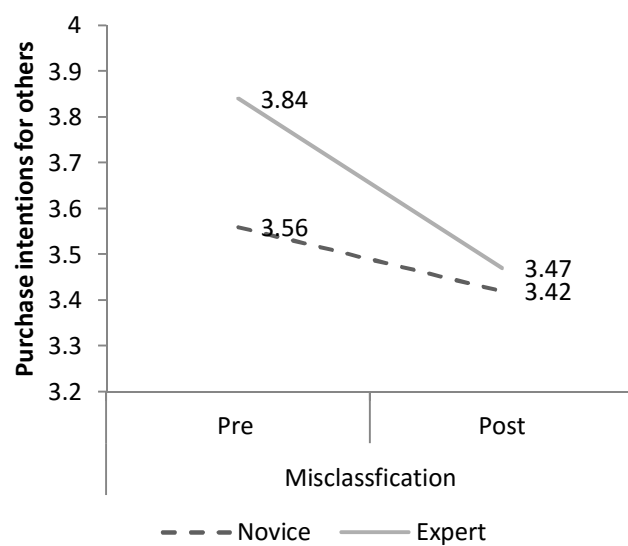
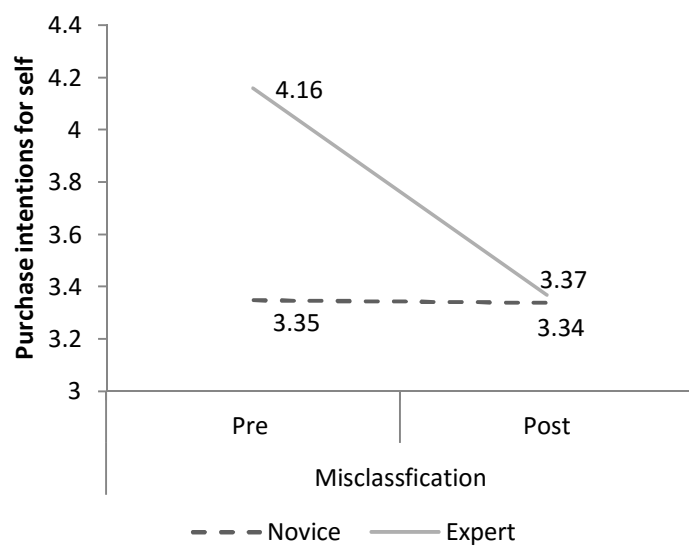
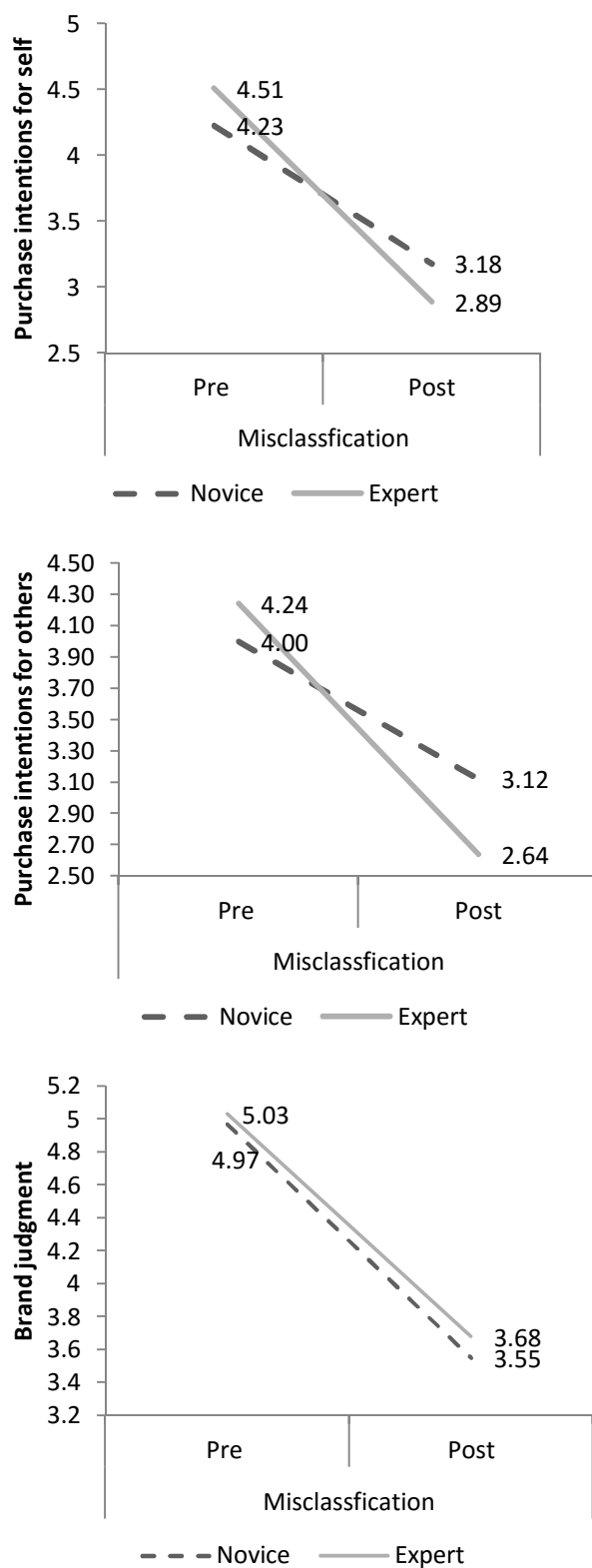


Figure 3b: Purchase intentions for self and others and brand judgments for high-affinity (low-animosity) consumers



Appendix A

Control group condition

John Players is a luxury brand from India targeted to the youth fashion segment since December 2002. It aims to be the No. 1 fashion brand for youth for clothing and accessories. The company has proven competencies in understanding consumer insights, brand building, and design capabilities. John Players offers a complete and vibrant wardrobe of Casual wear, Party wear, Work wear, Denims, Outer wear, and Suits & Jackets, incorporating the most contemporary trends, an exciting mix of colors, playful styling, trendy textures, and comfortable fits.

Experimental group condition

John Players is a luxury brand targeted to the youth fashion segment since December 2002. It aims to be the No. 1 fashion brand for youth for clothing and accessories. The company has proven competencies in understanding consumer insights, brand building, and design capabilities. John Players offers a complete and vibrant wardrobe of Casual wear, Party wear, Work wear, Denims, Outer wear, and Suits & Jackets, incorporating the most contemporary trends, an exciting mix of colors, playful styling, trendy textures, and comfortable fits.

Appendix B

Modified version of Rao and Monroe's (1988) scale

- (a) Please name five top luxury brands that come to your mind.
- (b) In your own opinion, when it comes to luxury fashion brands, how familiar are you (5-point Likert-type scale (with *hardly know them* and *know them very well* as anchors)?
- (c) Have you in the last 6 months purchased a luxury product (yes/no)?
- (d) In your opinion, are European-made luxury goods better than those made elsewhere (always/sometimes/never/don't know)?
- (e) Regarding French luxury goods, would you consider yourself (5-point Likert-type scale with *completely unfamiliar* and *extremely familiar* as anchors)?
- (f) Can you name three French luxury brands?
- (g) Regarding Italian luxury goods, would you consider yourself (5-point Likert-type scale with *completely unfamiliar* and *extremely familiar* as anchors)?
- (h) Can you name three Italian luxury brands?

Coding of responses to question f and h followed the same scheme as Rao and Monroe (1988).